

## Message Text

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51

ACTION EUR-12

INFO OCT-01 ISO-00 EB-07 FEA-01 ERDA-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-03 USIA-06

SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00 FRB-03 PA-01

PRS-01 OPIC-03 XMB-02 /101 W  
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R 201630Z JUN 75

FM AMEMBASSY DUBLIN

TO SECSTATE WASHDC 6901

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E.O. 11652: N/A

TAGS: ENRG, EI

SUBJ: GOI ANNOUNCES ALLOCATION OF OFFSHORE LICENSES

REF: DUBLIN 770

1. MINISTER FOR COMMERCE AND INDUSTRY JUSTIN KEATING HAS ANNOUNCED THE ALLOCATION OF PETROLEUM EXPLORATION LICENSES FOR 23 BLOCKS OF IRISH CONTINENTAL SHELF TO FIVE INTERNATIONAL CONSORTIA, AND HE STATED THAT DRILLING OPERATIONS FOR OIL AND GAS WILL START BEFORE THE END OF THIS YEAR. EACH GROUP HAS UNDERTAKEN SUBSTANTIAL DRILLING OBLIGATIONS, INCLUDING EXPLORATORY WELLS IN BLOCKS WITH WATER DEPTHS OF UP TO 2600 FEET. TOTAL EXPENDITURES BY THE FIVE GROUPS DURING THE INITIAL EXPLORATION PHASE (NEXT THREE TO FOUR YEARS) IS EXPECTED TO BE IN THE NEIGHBORHOOD OF \$150 MILLION. FEES TOTALLING ABOUT \$1.4 MILLION ARE IMMEDIATELY PAYABLE TO THE STATE.

2. FOLLOWING ARE THE CONSORTIA:

(A) DENIMEX GROUP -- COMPRISES GERMANY'S DENIMEX, DUTCH STATE MINES, AUSTRIAN MINERALS COMPANY O.M.V., TRANS-INTERNATIONAL OIL AND IVERNIA EXPLORATION COMPANY. LATTER TWO COMPANIES ARE IRISH.  
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(B) ELF GROUP -- COMPRISES FRENCH STATE OIL COMPANY ELF, ERGAS

(IRISH BOTTLED GAS COMPANY) AND NET (IRISH STATE FERTILIZER COMPANY).

(C) ARAN/BP GROUP -- BRITISH PETROLEUM, ARAN ENERGY OF IRELAND, SAGA PETROLEUM OF NORWAY AND U.S. SHENDANDOAH.

(D) DUTCH SHELL/AGIP GROUP -- CONSISTS SOLELY OF DUTCH SHELL AND AGIP.

(E) TEXACO EXPLORATION IRELAND INC. -- WHOLLY-OWNED IRISH SUBSIDIARY OF THE MULTINATIONAL COMPANY.

3. IN ADDITION TO PETROLEUM OPERATIONS, DENIMEX HAS UNDERTAKEN TO PROVIDE AN UNSPECIFIED INDUSTRIAL PROJECT INVOLVING 250 MALE JOBS WITHIN FOUR YEARS AS WELL AS SCHOLARSHIPS IN VARIOUS PETROLEUM DISCIPLINES. ELF WILL PROVIDE SCHOLARSHIPS VALUED AT ABOUT \$580,000. ARAN/BP WILL PROMOTE AN INDUSTRIAL PROJECT EMPLOYING UP TO 500 PERSONS WITHIN TWO YEARS OF MAKING A COMMERCIAL DISCOVERY. SHELL/AGIP WILL PROVIDE SCHOLARSHIPS VALUED AT \$5700,000 WHILE TEXACO WILL PAY A \$500,000 SIGNATURE BONUS TO GOI.

4. KEATING ANNOUNCED THAT NEGOTIATIONS ARE UNDERWAY WITH OTHER COMPANIES FOR THE ALLOCATION OF ADDITIONAL BLOCKS, BUT HE DID NOT REVEAL WHICH COMPANIES ARE INVOLVED.

5. COMMENT: AT THE TIME THE GOI ANNOUNCED ITS LICENSING TERMS (REFTEL), KEATING REVEALED THAT HE HAD ALREADY BEEN IN CONTACT WITH A NUMBER OF COMPANIES AND HAD RESERVED A NUMBER OF OFFSHORE BLOCKS WHICH WOULD NOT BE AVAILABLE FOR GENERAL BIDDING. A NUMBER OF COMPANIES FELT THAT THE GOVERNMENT WAS DEALING UNFAIRLY BY CONDUCTING SECRET NEGOTIATIONS WITH A FEW OIL COMPANIES WHILE THE OTHERS WERE WAITING FOR THE PUBLIC ANNOUNCEMENT OF LICENSING TERMS. MOBIL OIL COMPANY, WHICH WAS INTERESTED IN OFFSHORE BLOCKS BUT WAS NOT INCLUDED IN SECRET PRE-ANNOUNCEMENT NEGOTIATIONS, FELT STRONGLY THAT IT HAD BEEN MISLED BY THE GOI. WE DO NOT KNOW IF MOBIL IS CURRENTLY NEGOTIATING WITH THE GOI FOR AN OFFSHORE LICENSE.  
MOORE

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** OFFSHORE DRILLING, PETROLEUM, LICENSES  
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**Draft Date:** 20 JUN 1975  
**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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